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SICKNESS AND ACCIDENT
INSURANCE LAW OF
SWITZERLAND

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WHOLE NO. 103.

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SICKNESS AND ACCIDENT INSURANCE LAW OF SWITZERLAND.

INTRODUCTION.

This law was enacted by the Federal Council of Switzerland on June 13, 1911, and was accepted by a referendum vote of the Swiss people on February 4, 1912.

Provision is made for insurance in case of sickness, the Confederation granting subsidies to recognized sick insurance funds. Insurance may be declared compulsory by the Cantons, either generally or for certain classes of persons, and public funds may be established for the same and employers may be required to attend to the payment of the contributions of their employees compulsorily insured in such funds; the employers are not themselves obligated to make contributions to sick funds. The benefits in sickness consist of provision for medical care and medicines, together with a daily indemnity for loss of time of not less than 1 franc (19.3 cents). Benefits must be provided for at least 180 days each year; special provision is made in cases of women in confinement.

The National Accident Insurance Fund is maintained as the central body in the administration of accident insurance, each Canton being entitled to one agency of this fund. The Confederation is required to grant to this fund a working capital of 5,000,000 francs (\$965,000), and a like sum for the creation of a reserve fund; it also shares in the expenses of administration. The recognized insurance funds and the accident funds cooperate, separate accounts, however, being kept in the provisions for reimbursement for expenses.

Accident insurance is compulsory for all employees and laborers that work in Switzerland in transportation and in the postal service; in factories subject to the Federal law of March 23, 1877, in the building trades, engineering works, telegraph and telephone construction and maintenance, in the operation of mines, quarries, and gravel banks, and in industries which produce or use explosives. Insurance is given against the risks of accidents either occupational or nonoccupational. Under the former head are included all bodily injuries incurred in the course of work performed under the direction of the employer or his representative, or in the course of the service undertaken in the

direct or indirect interest of the employer and with his presumed assent, or incurred during an interruption of the work or before or after work if the injured person was properly on the premises or in the danger zone of the undertaking. Other bodily injuries are reckoned as nonoccupational. Diseases exclusively or essentially due to employment in designated classes of work are considered accidents within the meaning of the present law.

The insurance covers the supply of medical attendance, medicines, and indemnity for lost time, whether the disability be temporary or permanent. In case of death, funeral expenses are provided for and annuities for surviving beneficiaries. The indemnity for disability begins with the third day and corresponds to 80 per cent of the earnings, no earnings in excess of 14 francs (\$2.70) per day being considered. If the disability is regarded as permanent, a total annuity equal to 70 per cent of the annual earnings is to be paid. If the services of a nurse are required or if other special attention is necessary, the amount of this annuity may be increased to the entire amount of the earnings during the existence of such need. For partial disability proportionate deductions are made, no annual earnings in excess of 4,000 francs (\$772) being considered. The annuity may be revised at any time within three years, and afterwards at the expiration of the sixth and ninth years. Provision is made for the redemption of an annuity by lump-sum payments in certain cases.

In case of death an annuity equal to 30 per cent of the annual earnings of the insured person is to be paid to a widow, or to a widower if already infirm or if he becomes permanently disabled within five years after the death of his insured wife, so long as he remains a widower. On the remarriage of a widow she is allowed a lump sum equal to her annuity for three years. Each legitimate child is entitled to 15 per cent of the annual earnings of the insured person until 16 years of age. If a child at this age is permanently incapacitated for labor the annuity shall continue until 70 years from the date of birth of the insured person. Provision is made for other relatives, though the sum of all annuities allowed shall in no case exceed 60 per cent of the earnings of the insured person. Employments are classified according to their risk and premium rates fixed accordingly by the officers of the National Fund, and for occupational accidents premiums are paid entirely by the employer. For nonoccupational accidents the premiums are paid three-fourths by the insured persons and one-fourth by the Confederation. The employer acts as collector for the National Fund in all cases.

Any person not subject to the provisions of compulsory insurance may be insured voluntarily, subject to the conditions fixed by the Federal Assembly in accordance with plans submitted by the National Fund.

FEDERAL LAW OF JUNE 13, 1911, RELATING TO SICKNESS AND ACCIDENT INSURANCE.

TITLE I.—INSURANCE IN CASE OF SICKNESS.

ARTICLE 1.

The Confederation encourages insurance in case of sickness by according subsidies to the sickness insurance funds, in conformity with the present law.

Every sickness insurance fund which satisfies the provisions of the present law is entitled to Federal subsidies; they may organize as they please, in so far as the law does not make contrary provision.

The recognition of the right to the Federal subsidies shall be pronounced by the Federal Council.

In the following articles the abridged expression "sickness funds" or "funds" designates the recognized insurance funds for cases of sickness.

ARTICLE 2.

The Cantons may:

(a) Declare the insurance compulsory in case of sickness, either generally or for certain classes of persons.

(b) Establish public funds, taking into consideration existing relief funds.

(c) Compel employers to attend to the payment of the contributions of their employees compulsorily insured in the public funds, without, however, binding the employers themselves to the payment of the contributions.

The Cantons are authorized to delegate these powers to their respective communes.

The provisions made by the Cantons or communes for the application of paragraph 1 shall be submitted to the Federal Council for approval.

ARTICLE 3.

The funds shall have their seats in Switzerland.

They shall not treat Swiss citizens less favorably than other insured persons.

Their systems of operation of the sickness insurance shall be mutual.

They shall offer full security for the performance of their contracts.

They shall have the right to unite other branches of insurance with sickness insurance.

The recognition of a fund shall not be refused because the constitution makes membership dependent upon belonging to a certain profession or establishment (enterprise), a certain religious sect, or a certain political party.

ARTICLE 4.

Funds desiring to be recognized must submit their rules and other provisions regulating the rights and obligations of their members to the Federal Council for approval. All modifications of these rules and other provisions shall be likewise submitted.

ARTICLE 5.

Every Swiss citizen has the right to become a member of a fund with whose provisions as to admission he complies.

The conditions relating to the religious cult or political party of an applicant for membership shall not be construed to the prejudice of a Swiss citizen soliciting membership in a fund at his place of residence if he can not gain admission at said place of residence to any fund whose general conditions of admission he fulfills.

ARTICLE 6.

The funds shall admit persons of both sexes on the same terms, with the exception of funds of a trade, a trade-union, or an establishment numbering among its employees only persons of one sex.

Insurance benefits shall not vary according to the sex unless the contributions show a corresponding variation.

ARTICLE 7.

Free transfer consists in the right of insured persons to change from one fund to another.

That right may be exercised when the insured person is compelled, according to the terms of the statutes, to quit the fund of which he is a member, by reason of a change of residence, occupation, or employer, or when the fund is dissolved or ceases to be recognized.

That right is guaranteed to every insured person who has been a member of one or more funds for a period of at least one year without an interruption of more than three months.

The right of free transfer obtains in respect to the funds with whose general conditions as to admission the applicant for transfer complies, and in default thereof in respect to any other fund at his place or residence.

ARTICLE 8.

Members of sectarian or political funds shall have the benefit of the right of free transfer only in respect to funds of the same confession or of the same party.

When a member of a sectarian or political fund has been previously identified with independent funds and desires to be reinstated in a fund of that class, the duration of his membership in sectarian or political funds shall not be taken into account in the computation of the time periods fixed by article 7.

The right of free transfer terminates in the case of a person insured in the fund of an establishment in five years after his admission to membership in that fund.

ARTICLE 9.

The rules of the funds which make the admittance of the applicant for membership contingent upon the state of his health, or fix an age limit, shall not be construed adversely in the case of a person transferring his membership.

No entrance fee shall be collected of a person transferring his membership. The person transferring his membership shall not be constrained to make contributions in excess of those which the fund collects of every new member of the same age for the same benefits. If the person transferring his membership has reached the age limit specified by the statutes, he must pay to the fund such contributions as correspond to the insurance benefits, taking into consideration his age at the time of his affiliation.

He shall be entitled to the benefits which the fund, under like circumstances, generally assures to its other members. The right to benefits shall date from the time of admission to membership; but the fund may, within the meaning of article 13, take account of the days during which the new member has had relief from other funds.

ARTICLE 10.

If an insured person having this right of transfer leaves the district in which his fund is situated, or changes his occupation or employer, and finds no other fund in which he fills the general conditions of admission, he may remain a member of his fund as long as he resides in Switzerland.

The same right belongs to a member of an establishment fund who has lost the privilege of free transfer according to the terms of article 8, paragraph 3.

When the insured person avails himself of this right, the fund may demand of any fund at the new residence of the insured person, allowing for reimbursement of expenses, that it shall take charge of the collection of contributions, and, in case of sickness, of the payment of insurance benefits and of supervision.

ARTICLE 11.

The funds may not exclude any member for religious or political causes.

ARTICLE 12.

Funds must insure to their members at least medical care and medicines or a daily indemnity for loss of time of not less than 1 franc (19.3 cents) for each day of absolute inability to perform labor. In so far as it is gratuitous, the treatment of the insured by public contract physicians is considered as a payment from the funds themselves.

Children may not be insured with a view to an indemnity for loss of time until they reach the age of 14 years.

ARTICLE 13.

The length of membership necessary to entitle its members to benefits in case of sickness (the probation period) shall not exceed three months.

If the sickness, after the expiration of the probation period, has been reported in conformity with the statutes, medical attendance and medicines must be provided from the beginning, and the indemnity for loss of work from the third day, at the latest, from the beginning of the sickness (waiting time).

Benefits must be provided for members, for one or more periods of sickness, for at least 180 days during a period of 360 consecutive days.

The fund shall not be compelled to bear more than three-fourths of the medical and pharmaceutic expenses if it provides these benefits for at least 270 days in a period of 360 consecutive days.

ARTICLE 14.

Funds shall consider childbirth as a sickness if at the time of the confinement the insured person has been a member of the fund for at least nine months without an interruption in excess of three months.

The benefits provided for cases of sickness shall be continued to the confined woman for at least six weeks. The duration of the payments to a woman in confinement is not regulated by the application of article 13, paragraphs 3 and 4.

If the woman after her confinement shall work during the period of assistance, the amount of her earnings may be deducted from the benefits for loss of time.

If the mother is still nursing her child four weeks after the expiration of the period of assistance, the fund shall allow her a nursing benefit of at least 20 francs (\$3.86).

ARTICLE 15.

If the fund grants medical attention, every sick person may choose a physician among those practicing in his place of abode or in the neighborhood.

By virtue of its office, or on the demand of the attending physician of the insured person, or of a member of his family, the fund may call in a consulting physician.

ARTICLE 16.

The funds may on the basis of fixed rates enter into contract with physicians or associations of physicians and intrust the treatment of the insured persons exclusively to them. Physicians having practiced regularly for one year at least in the district embraced by the fund may enter into these contracts.

In the mountainous regions, where communication is difficult and the population scattering, if the public and compulsory funds have made a contract with physicians, assuring to the latter an annual allowance, the funds have the right to exclude other physicians from the contract.

ARTICLE 17.

The right of the insured persons to the choice of a physician ceases if their transfer to a hospital imposes the obligation of intrusting medical treatment to the staff of that institution.

Public and compulsory funds may intrust the medical treatment of their members to a medical institution.

ARTICLE 18.

The funds may secure the services of consulting physicians commissioned to superintend the medical service.

ARTICLE 19.

If the fund provides for the supply of medicines, every sick person treated at home may choose his pharmacy among those established in his place of abode or in the vicinity.

The public and compulsory funds may delegate to a hospital the duty of supplying the medicines to be furnished to their members.

The funds may, on the basis of fixed rates, enter into contracts with pharmacists or associations of pharmacists, and leave the provision of medicines exclusively to these pharmacists. The managers of pharmacies established in the territory of the fund may join in these contracts.

ARTICLE 20.

If the fund does not succeed in making contracts with physicians and pharmacists, it may, with the assent of the Federal Council, for a maximum period of one year, substitute cash benefit instead of furnishing medical attendance and drugs. The amount of this cash benefit shall be fixed by the cantonal government and shall correspond to the average cost of medical attendance and drugs. This substitution shall not affect the right of the fund to the Federal subsidy.

ARTICLE 21.

The terms "physician" and "pharmacist" designate physicians and pharmacists who are possessors of a Federal diploma.

Persons authorized by a Canton to practice medicine or to conduct a pharmacy in virtue of a certificate of scientific qualification shall, in regard to the territory throughout which the authorization extends, be on a similar footing with the physicians and pharmacists referred to in the preceding paragraph.

Physicians authorized by a Canton to conduct a pharmacy shall be on an equal footing with the pharmacists referred to in the first paragraph of this article, in respect to the territory to which the authorization applies.

ARTICLE 22.

The rates for medical attendance and for drugs shall be fixed by the cantonal governments, after advising with representatives of the funds, as well as with the professional associations of physicians and pharmacists. The rate lists shall indicate the maximum and the minimum charge for every service of the physician and for all medicine, and the parties may neither increase nor reduce it. In working out the rate lists and in applying them regard shall be had for local circumstances and for the annual benefits which the funds may undertake to pay.

The contracts entered into with physicians or pharmacists are subject to the approval of the cantonal government. This government shall examine the sections relating to rates and other stipulations to ascertain if they are conformable to law and equity. The decision of the cantonal government may, within 20 days, be made the subject of an appeal to the Federal Council.

ARTICLE 23.

The fees shall be the same for all members of the fund.

The funds shall not be bound to pay unfair medical charges or for remedies not prescribed by a physician who is authorized to attend the sick.

ARTICLE 24.

If a fund, for weighty reasons pertaining either to his person or to his professional activity, contests a physician's or a pharmacy manager's right to treat its members or to furnish them with medicines, it is the duty of a court of arbitration, instituted conformably to article 25, to determine as to his exclusion and to fix the duration thereof.

ARTICLE 25.

Disagreements between the funds and physicians or pharmacists shall be settled by an arbitration court.

The cantonal governments shall designate the arbitral authority and regulate the procedure.

In organizing the court of arbitration care must be taken to insure to each interested party an equal number of representatives.

ARTICLE 26.

The funds must see that none of their members are insured in more than two sick-insurance funds. Nevertheless an insured person who on January 1, 1911, may be a member of more than two sick-insurance funds shall not be compelled to withdraw therefrom.

The funds are bound to exercise caution that insurance does not become a source of profit for their sick members (articles 12 and 74).

ARTICLE 27.

In case of accidents, the funds must give their assistance to the accident-insurance service conformably with articles 54 to 59 of the present law.

ARTICLE 28.

The funds shall use their resources for the purposes of insurance only.

ARTICLE 29.

The funds are legal persons, with full rights as such.

Funds connected with public establishments or corporations remain subject to the legal provisions and decisions of the authorities having control of such establishments.

Insured persons shall not be personally responsible for the contracts of the fund.

ARTICLE 30.

The private litigations of the funds among themselves or with their insured members or third persons shall come within the jurisdiction of the ordinary courts unless cantonal legislation or the rules of the fund (the latter in so far as they relate to the controversies of a fund with its insured members) should ordain otherwise.

Articles 120 to 122 contain exceptions.

ARTICLE 31.

The funds shall be exempt from taxation except for levies on their real estate that is not directly utilized for the business of insurance.

Legal documents directly intended for the use of the funds are exempt from dues.

ARTICLE 32.

Once a year the funds must balance their accounts conformably to the instructions given by the Federal Council and submit them to that authority. The Federal Council may require the correction of errors in the accounts.

ARTICLE 33.

The Federal Council may, of its own accord or on complaint, and after warning is disregarded, punish by a maximum fine of one hundred francs (\$19.30) every fund that violates a provision of articles 3 to 28 and 32.

In case of persistent violation and after ineffectual warning, the Federal Council may decree the withdrawal of recognition.

The withdrawal must be decreed against every fund that no longer offers the necessary security to its members and fails to adopt the measures required by the Federal Council for the maintenance of its solvency.

ARTICLE 34.

Notice of the surrender of recognition by a fund must be communicated to the Federal Council in writing; it takes effect three months after the date of this communication.

In case of surrender or withdrawal, a new recognition may not be granted before two years at the earliest.

ARTICLE 35.

The Confederation shall pay to the funds for an insured person for an entire year the following subsidies:

(a) For children, up to and including the year in which they attain the age of 14 years, 3 francs and 50 centimes (67.5 cents).

(b) For other members—

Three francs and fifty centimes (67.5 cents) for insured male persons and 4 francs (77.2 cents) for insured female persons, when the fund insures medical attendance and medicines, or a cash benefit for loss of time of at least 1 franc (19.3 cents) per day.

Five francs (96.5 cents) if the fund insures at the same time medical attendance and medicines and a cash benefit for loss of time of at least 1 franc (19.3 cents) per day.

The foregoing subsidies shall be increased by 50 centimes (9.7 cents) for the members to whom the fund guarantees benefits, in case of sickness, for at least 360 days in a period of 540 consecutive days.

In addition, the Confederation shall grant to the funds a subsidy of 20 francs (\$3.86) for each case of confinement; this is increased to 40 francs (\$7.72) for the confined women who are entitled to a nursing benefit as provided for in article 14, paragraph 4.

ARTICLE 36.

The total annual subsidies paid to any fund in pursuance of article 35 shall not exceed one-half of the sum of the contributions of insured persons and voluntary donations placed to the account of operations.

In case a person is a member of more than one fund, the Federal subsidy shall be paid only to the fund in which that person has held membership for the longest time.

The Federal Council may abolish the Federal subsidies for insured persons residing abroad.

ARTICLE 37.

In the mountainous districts, where communication is difficult and the population sparse, the Confederation shall pay to the funds a supplementary subsidy of 7 francs (\$1.35) as a maximum for each insured person for an entire year.

In these districts the Confederation shall grant to the Cantons, for their own use or for their communes, subsidies in favor of institutions which aim to lessen expenses for the treatment of sick persons or confined women. These subsidies must not exceed the total amount of the sums furnished by the Cantons, the communes, or third persons, or 3 francs (57.9 cents) a year per capita of the population in question. The Federal Council may make the grant of a subsidy contingent on the creation of a fund in the commune.

ARTICLE 38.

If the Cantons or communes declare that insurance in case of sickness shall be compulsory, either generally or for certain classes of persons, and if they assume the responsibility of the payment of all or a part of the contributions of indigent insured persons, the Confederation shall grant subsidies equal to one-third of their disbursements.

ARTICLE 39.

The Federal Council shall determine each year the amount of the Federal subsidies according to the statements prepared by the cantonal governments.

The Federal Council shall decide all questions in relation to Federal subsidies.

ARTICLE 40.

The officers of a fund who intentionally misrepresent the condition of the fund in their financial accounts or other reports designed for the information of the Federal authority or of the Swiss National Accident Insurance Fund, shall be punished by a maximum fine of 500 francs (\$96.50), or by imprisonment not exceeding three months; these penalties may be combined. In case of repetition within three years subsequent to the last conviction, the fine may be increased to 1,000 francs (\$193) and the imprisonment to six months.

Suit shall be brought by the cantonal authorities, on complaint of the Federal Council. The general provisions of the Federal penal code of February 4, 1853, are applicable.

The decisions of the cantonal authorities shall be communicated in writing to the Federal Council, which may have recourse to amendment or appeal conformably with articles 158 et seq. of the law of March 22, 1893, concerning the organization of the Federal judiciary.

TITLE II.—ACCIDENT INSURANCE.

A. SWISS NATIONAL ACCIDENT INSURANCE FUND.

ARTICLE 41.

The Confederation shall maintain a "National Accident Insurance Fund at Lucerne." (*Caisse nationale suisse d'assurance en cas d'accidents à Lucerne.—Schweizerische Unfallversicherungsanstalt in Luzern.—Istituto nazionale svizzero di assicurazione contro gli infortuni a Lucerna.*)

This fund shall conduct insurance on the mutual plan.

It shall have the rights of a legal person, and its seat shall be in Lucerne.

In the present law the abbreviated expression, "National Fund," designates the Swiss National Accident Insurance Fund at Lucerne.

ARTICLE 42.

Its organization shall consist of:

- The administrative council and its committees.
- The directorate.
- The agencies.

ARTICLE 43.

The administrative council shall consist of 40 members, to wit:

- Twelve representatives of compulsorily insured persons.
- Sixteen representatives of heads of private enterprises, employers of the compulsorily insured persons.
- Four representatives of voluntarily insured persons.
- Eight representatives of the Confederation.

The members of the administrative council shall be named by the Federal Council for a period of six years under the advice of trade-unions which extend over a considerable portion of the country. The administrative council shall effect its own organization.

ARTICLE 44.

The administrative council is especially authorized:

- (a) To decree the fundamental rules of the National Fund.
- (b) To make suggestions to the Federal Council concerning the composition and nomination of the directorate.
- (c) To appoint its committees.
- (d) To determine the classes of risks, the degrees of risks, and the premium rates.
- (e) To decide appeals in respect to matters of the classification of enterprises and of the insured persons.
- (f) To establish the bases for calculating the reserve.
- (g) To make suggestions as to the terms of voluntary insurance and the voluntary insurance of third persons.
- (h) To regulate the cooperation of the sick funds.
- (i) To make up the annual budget of administration expenses.
- (k) To audit and approve the annual reports and accounts.
- (l) To supervise the development of the National Fund.

The regulations determine the other functions of the council, as also the number, composition, and functions of its committees; they may confer on the latter certain functions of the council.

ARTICLE 45.

The directorate shall be named by the Federal Council upon the recommendation of the administrative council; the Federal Council is not bound by that recommendation.

The directorate shall manage and represent the National Fund.

ARTICLE 46.

The National Fund shall open agencies in the different parts of the country; each Canton shall be entitled to one agency.

Within the limits of their powers, the agencies shall represent the National Fund.

ARTICLE 47.

On their application, trade unions extending over a considerable portion of the country shall be called by the National Fund to give their opinion in advance on the following subjects:

- (a) Determination of risk classes, degrees of risk, and premium rates.
- (b) Determination of the bases of the mathematical reserves.
- (c) Prevention of accidents.
- (d) Conditions of voluntary insurance and voluntary insurance of third persons.

ARTICLE 48.

The National Fund shall keep a separate account for each of the following branches:

- (a) Occupational accidents under compulsory insurance.
- (b) Nonoccupational accidents under compulsory insurance.
- (c) Voluntary insurance.
- (d) Voluntary insurance of third persons.

It shall carry to the credit side of the accounts the premiums received for each branch, including the Federal subsidies for branches (b) and (c) to the amount due for the current fiscal period. It shall carry to the debit side the benefits granted to the insured, including the reserve for unliquidated losses, the portion of the sick funds appropriated for premiums, and the contributions for the losses of the sick funds.

The total amount of the provision for insurance shall include the actual value of all expenses, which, according to the probabilities, will be imposed upon the fund on account of accidents which have occurred up to the end of the fiscal period (system of mathematical reserves).

The expenses of the administration, after deduction of the portion borne by the Confederation, according to article 51, first paragraph, are to be divided among the accounts in proportion to the amount of the premiums and of the Federal subsidy received for each branch.

The balance for the fiscal period is to be divided among the accounts, subject to the provisions of article 49, in proportion to the premiums and the Federal subsidy received for each branch.

ARTICLE 49.

A reserve fund shall be established by means of annual deposits, of which the administrative council shall fix the amount, under the form of a quota of the premiums and of the Federal subsidy received for each branch. This quota must be uniform for all branches.

These deposits shall be continued until the reserve fund amounts, at least, to one-half the average sum of the premiums and of the Federal subsidy received during the last five years.

Each branch of insurance must pay interest on the sums drawn from the reserve fund to cover deficits resulting from its operation, and shall repay these sums within a period fixed by the administrative council.

ARTICLE 50.

The National Fund shall be placed under the superior supervision of the Confederation—such supervision to be exercised by the Federal Council.

The National Fund shall submit its organic regulations, its reports, and annual accounts to the Federal Council for its approval.

ARTICLE 51.

The Confederation shall reimburse the National Fund for one-half of its expense of administration.

It shall furnish the National Fund a working capital of 5,000,000 francs (\$965,000), which amount must be accounted for in the annual accounts.

It shall endow the National Fund with a capital of 5,000,000 francs (\$965,000) for the creation of a reserve fund.

It shall bear the expenses incurred by the National Fund before commencing its business operations, excepting the outlay for the acquisition of real estate and the cost of administering said real estate.

The sums mentioned in paragraphs 2 to 4 shall be deducted from the Federal insurance fund.

ARTICLE 52.

The correspondence of the administrative council and of the directorate shall enjoy the advantage of the postal franking privilege, as does that of the agencies, so far as it is addressed to the National Fund and relates to the business of the latter fund.

ARTICLE 53.

The National Fund shall be exempt from taxes except on its real property that is not directly used for the insurance business.

Legal documents designed directly for the service of the National Fund shall be exempt from all taxes.

The Federal court shall decide controversies arising from the application of this article.

B. COOPERATION OF THE RECOGNIZED INSURANCE FUNDS IN CASE OF SICKNESS.

ARTICLE 54.

The National Fund may intrust the agency service to a sick-insurance fund in the territory of the latter. It may be represented by the sick fund, especially for the collection of premiums, notices, inquiries, supervision in case of accident, and in the payments to be made to insured persons. The sick fund shall be answerable for a conscientious execution of its orders.

The National Fund shall reimburse the sick fund for the expenses incurred by it in executing its orders and grant it a remuneration in consideration of its services.

The Federal Council shall fix the rate of remuneration in accordance with the proposal of the National Fund, with the consent of representatives of the sickness insurance funds.

ARTICLE 55.

In regard to medical treatment, the furnishing of drugs, and the payment of cash benefits for loss of time, the National Fund may, for the first six weeks following the accident, transfer to a sickness-insurance fund qualified for that purpose the insurance of persons domiciled in the district of the latter fund.

The transfer shall be effected in due form by localities, by occupations, or by enterprises.

So far as the provisions of the two preceding paragraphs permit the National Fund shall select preferably those sick funds of which the persons affected are members.

When a sick fund considers itself not in a position to accept the transfer it may apply to the Federal Council within 20 days from the date of receiving the notice of transfer.

ARTICLE 56.

The transfers shall be made by means of assignment to the sick fund of a corresponding portion of the premiums and the payments of the Confederation to the National Fund. That portion shall be determined according to a rate which shall be fixed by the Federal Council on the proposal of the National Fund, with the consent of representatives of the sick funds.

ARTICLE 57.

When a person whose insurance has been transferred to a sick fund is the victim of an accident, the sick fund shall provide at its own expense the insurance benefits during the first six weeks following the accident, and during that time it shall exercise all the powers which belong to the National Fund.

The National Fund shall reserve the right of supervision.

The sick fund shall without delay advise the National Fund of every controversy between it and the insured person or third persons.

ARTICLE 58.

The National Fund may at any time withdraw from the sick fund the duty of providing benefits for an accident, the insurance for which has been transferred to the latter fund. In that case the sick fund shall reimburse the National Fund for the latter's expenditures, which are imposed upon the sick fund by virtue of article 57.

ARTICLE 59.

During the first three years following the transfer the National Fund shall bear three-fourths of the loss succeeding the said transfer, as the same is shown in the annual accounts, and subsequently one-third of the losses computed for periods of three years.

C. COMPULSORY INSURANCE.

ARTICLE 60.

There shall be insured in the National Fund all employees and laborers at work in Switzerland:

1. In railway service, on steam vessels, and in the postal service.
2. In establishments subject to the Federal law of March 23, 1877, relating to labor in factories.
3. In the enterprises of—
 - (a) Building trades.
 - (b) Transportation by land and by water and rafting.
 - (c) Establishing and repairing telephone and telegraphic lines, installing or removing of machines, and the installation of technical apparatus.
 - (d) Railroad building, tunneling, bridging, road making, waterworks, excavating in pits and galleries, trench digging, and the operation of mines, quarries, and gravel banks.
4. In industries which produce or make use of explosive materials.

In the present law the term "enterprise" comprehends the establishments, the operations, and the industries above mentioned.

Within the meaning of the present law, persons with supervisory functions are reckoned employees, and the apprentices, unpaid learners, and probationers as laborers.

The Federal Council shall decide every dispute as to the character of an enterprise in the meaning of paragraph 1. It may give to its decision a retroactive effect from a date determined by itself. The decision of the Federal Council is binding upon the courts.

ARTICLE 61.

An insured person temporarily employed abroad shall retain the benefit of his insurance when there is no change of employer.

An employee or laborer temporarily at work in Switzerland in the pay of a foreign enterprise is not to be insured.

ARTICLE 62.

The insurance becomes effective as soon as the employee or laborer enters upon his duties pursuant to the engagement.

It ends on the third day subsequent to that when his right to wages terminates. By special agreement the National Fund may extend the insurance beyond this limit.

ARTICLE 63.

The employer or his representative shall notify the National Fund, within 14 days, of the beginning or discontinuance of operation of every enterprise mentioned in article 60.

In case of inexcusable delay in the notification of opening the premiums for occupational accidents shall be doubled during the period of such delay.

In case of inexcusable delay in the notification of discontinuance the premiums for occupational accidents, computed according to the average wage payments of the last 10 days of labor, shall continue to run until the moment of notification.

ARTICLE 64.

In every enterprise named in article 60 the employer or his representative must keep the pay rolls up to date and in good order, giving exact information concerning the conditions of employment, the wages, and the number of days of labor for every employee or laborer of the enterprise.

The employer or his representative must give to the agents of the National Fund, whenever required, supplementary information concerning everything relative to insurance and deliver to them the pay rolls as well as all other data serving to verify said pay rolls.

These agents shall have free access to all shops and yards of the enterprise during working hours. They shall preserve absolute secrecy respecting all of their observations which have no relation to accident insurance.

ARTICLE 65.

In every enterprise specified in article 60 the employer or his representative shall take all measures which experience has shown to be necessary and which the advance in science and the circumstances will permit to be applied, in order to prevent sickness and accidents.

The National Fund may order any useful measure after consulting the interested parties, and the latter may appeal to the Federal Council within 20 days.

The Federal Council shall regulate the cooperation of Federal factory inspectors in the matter of prevention of accidents, as well as in the application of this article to the enterprises subject to the special provisions of the Federal law on the prevention of accidents.

ARTICLE 66.

Whoever intentionally violates articles 64 and 65 or the regulations promulgated for the enforcement of these articles shall be punished by a maximum fine of 500 francs (\$96.50) or by imprisonment not exceeding three months; these penalties, may be combined. In case of repetition within three years following a prior conviction, the fine may be increased to 1,000 francs (\$193) and the imprisonment to six months.

The employer is responsible for the payment of the fine imposed upon his representative.

Suits shall be brought by the cantonal authorities, on complaint of the directorate of the National Fund. The general provisions of the Federal penal code of February 4, 1853, are applicable.

The decisions of the cantonal authorities shall be communicated in writing to the directorate of the National Fund. The latter may appeal from these decisions to a higher court, conformably to the cantonal and Federal laws of procedure.

ARTICLE 67.

The National Fund shall insure against the risks of accidents, occupational or nonoccupational, followed by illness, invalidity, or death.

Every bodily injury suffered by an injured person is reckoned as an occupational accident if received:

(a) In the course of work performed by him under direction of the head of the enterprise subject to insurance, or one of his agents.

(b) In the course of a service undertaken by the insured in the direct or indirect interest of the enterprise, and with the presumed assent of the employer or of his representative.

(c) During an interruption of work, as also before or after work, while the insured person, without fault on his part, happens to be either on the premises or in the danger zone of the enterprise.

Any other bodily injury resulting from an accident is reckoned as a non-occupational accident. The National Fund may debar from insurance extraordinary risks and hazardous enterprises.

ARTICLE 68.

The Federal Council shall prepare a list of substances, the production or employment of which occasions dangerous diseases. Every disease exclusively or essentially due to the action of one of these substances in an enterprise subject to insurance is deemed an accident within the meaning of the present law.

ARTICLE 69.

Every insured victim of an accident which is followed or will probably be followed by sickness or invalidity must without delay apprise his employer or his employer's agent. When the accident is followed by death, the same obligation rests conjointly upon the surviving heirs who are entitled to an annuity.

For every notice of an accident the employer or his agent shall deliver a certificate, indicating the date of the notice. If this certificate is refused, notice of the accident may be given without expense to the local authority, who shall transmit it to the National Fund.

As soon as the employer or his agent learns that an insured person in his employ is the victim of an accident which has been or will probably be followed by sickness, invalidity, or death, he must without delay report the same to the National Fund.

A register detailing all accidents happening to insured persons shall be kept up to date in every establishment.

ARTICLE 70.

An inexcusable delay in giving notice of an accident (art. 69, first paragraph) or in reporting an accident (art. 69, par. 3) shall involve, in the first case, the total or partial forfeiture of cash benefits provided for the period prior to the notice, and, in the second case, the obligation of the employer to repay the cash benefits to the National Fund; furthermore, the delinquents may be made jointly responsible for damages caused to the National Fund by the delay.

The National Fund may refuse to pay any benefits if, in consequence of an inexcusable delay on the part of the insured or of his survivors, it has not been advised of the accident or death within three months.

ARTICLE 71.

As soon as informed of an accident, the National Fund shall investigate its circumstances, its causes, and its results; for this purpose the fund may have recourse to the cantonal authorities. In like manner the insured person or his heirs may themselves cause the taking of the necessary evidence.

Interested persons have the right to be informed of the contents of the report.

The National Fund shall at all times take the necessary measures for the proper treatment of the insured. Every inexcusable nonobservance of these measures may lead to the partial or total withholding of insurance benefits for the future.

ARTICLE 72.

The insurance provisions shall include:

- (a) Medical attendance and drugs and indemnity for loss of time.
- (b) Annuities for invalidity.
- (c) Funeral expenses.
- (d) Survivors' annuities.

ARTICLE 73.

Immediately after an accident, and during the illness that results from it, the insured is entitled to medical attendance, drugs, and other remedial treatment, to the surgical apparatus of which he has need, and to necessary traveling expenses. Articles 15 to 25 are applicable by analogy.

If the services of a nurse are necessary to the insured, the National Fund shall supply the need.

Instead of providing medical attendance, drugs, and the services of a nurse at home, the National Fund may order a transfer to a hospital, having regard, however, for the wishes of the insured or of his family.

ARTICLE 74.

From the third day after the accident, and during the resulting illness, the insured person is entitled to indemnity for loss of time.

This indemnity shall correspond to 80 per cent of the earnings of which the insured person is deprived in consequence of the illness, and includes the regular supplementary allowances. Earnings are computed not to exceed 14 francs (\$2.70) a day.

If payments are made for the same accident by other insurers, the indemnity for unemployment can not exceed the difference between the amount of these payments and the total wages of which the insured person has been deprived.

ARTICLE 75.

To meet the expenses of the sojourn of the insured person in a hospital, or of a nurse at home, the National Fund may retain, at most, three-fourths of the indemnity for loss of time, or one-half of it if the insured person has a family dependent upon him.

ARTICLE 76.

If there is no reason to expect a distinct improvement in the condition of the insured person from the continuation of medical treatment, and if the accident is followed by presumably permanent disability, an annuity for invalidity shall be substituted for the foregoing benefits. The National Fund shall also supply the insured person with necessary surgical appliances.

ARTICLE 77.

For total disability the annuity is fixed at 70 per cent of the annual earnings of the insured. If the infirmity requires the services of a nurse or other special attention the annuity may be increased, so long as this condition continues, up to the entire amount of the earnings.

If the disability is only partial the annuity shall be proportionately reduced.

ARTICLE 78.

The annual earnings are understood to mean the earnings of the insured person in the enterprise subject to insurance during the year preceding the accident.

The regular supplementary allowances are computed as salary.

The annual wage of nonsalaried insured persons is reckoned as equal to the lowest annual wage of the salaried laborers in the same enterprise.

If at the time of the accident the insured person is not yet earning the full wages of an insured person of his trade, his annual earnings are calculated on the basis of such wages from the period when he would probably have attained thereto had he not met with the accident.

The annual earnings are reckoned not to exceed 4,000 francs (\$772).

ARTICLE 79.

If during the year preceding the accident the earnings of the insured have been reduced by reason of military service or of sickness, the earnings shall be determined according to the amount which the insured person would have earned if he had been neither ill nor in the military service.

If the insured person has not been connected with the enterprise during the entire year, account is taken of the amount which insured persons of his class have earned during the remainder of the year in the enterprise, or in a similar enterprise in the locality.

If the operation of the enterprise has been interrupted in the course of the year, the wages earned by the insured person outside of the enterprise during the interruption are taken into account, with the amount of the average salary which he has earned in the enterprise during the rest of the year.

ARTICLE 80.

If, after the determination of the annuity, the degree of disability undergoes an essential change, the annuity shall be proportionately increased or reduced for the future or may be discontinued altogether.

During the three years following the establishment of the annuity it may be revised at any time; afterwards at the expiration of the sixth and ninth years.

If the revision requires an examination or medical attention involving a loss of earnings for the insured person, the annuity shall be temporarily replaced by the benefits specified in articles 73 to 75.

ARTICLE 81.

After the establishment of the annuity, the National Fund may, under the conditions prescribed by article 80, paragraph 2, order a new treatment to be instituted, if there is reason to expect a considerable improvement of the insured person in respect to his capacity for labor. Any unjustifiable refusal to follow this treatment may cause the total or partial withholding of insurance benefits for the future.

During treatment the annuity shall be replaced by the provisions specified in articles 73 to 75.

ARTICLE 82.

If there is no reason to expect a sensible improvement in the condition of the insured from the continuance of medical treatment, but if it seems probable that the patient will recover his capacity for labor and resume work after the liquidation of his claims, a lump-sum payment, replacing the annuity, shall be substituted for the foregoing benefits.

The lump sum shall be equal to the actual value of an annuity, uniform or decreasing, and running for three years at a maximum, calculated on the basis of the annual earnings of the insured person, taking into consideration his state of health and the degree of his disability at the time of determining the indemnity.

ARTICLE 83.

If the insured person dies as a result of the accident, the National Fund shall reimburse to the survivors the funeral expenses to the amount of 40 francs (\$7.72).

ARTICLE 84.

Those entitled to an annuity of 30 per cent of the annual wages of the insured person are:

(a) The widow, during her widowhood.

(b) The widower, if already infirm, or if a permanent incapacity for labor supervenes within five years after the death of the insured wife, during his widowhood.

The surviving consort is entitled to an annuity only in case the publication of the marriage agreement antedates the accident. If, at the time of the accident, the victim was divorced or separated by virtue of a decree *a mensa et thoro*, the surviving consort is entitled to an annuity amounting only to what the insured person had been compelled to pay as alimony.

ARTICLE 85.

In addition, every legitimate child, including posthumous children, is entitled to 15 per cent of the annual earnings of the insured person. If the child by this death or by a subsequent bereavement loses both father and mother, the annuity shall be increased to 25 per cent. This shall be paid until the completion of the sixteenth year of age; or, if at this age the child is permanently incapacitated for labor, the annuity shall continue till 70 years have elapsed from the birth date of the insured person.

Children who had been adopted or legitimized at the time of the accident have the same status as legitimate children.

This applies also to illegitimate children with reference to the rights which are derived from the death of their mother.

Every illegitimate child whose kinship has been established by an executory court decision, or by a written and credible acknowledgment on the part of the insured person, is also considered as a legitimate child with reference to the rights which are derived from the death of his father.

ARTICLE 86.

Ascendants in a direct line are entitled during their lives, and the brothers and sisters until the age of 16 years, to a total annuity of 20 per cent of the annual earnings of the insured person; this annuity is distributed per capita among all parties concerned.

ARTICLE 87.

The annuities of survivors shall not, altogether, exceed 60 per cent of the annual earnings of the insured person.

The total amount of the annuities of the consort and children is scaled down to 60 per cent by a proportional reduction should there be occasion therefor. The extinction of the annuity of one of these relatives shall inure to the benefit of the others proportionately, within the limits of their rights.

The ascendant and collateral relatives may exercise their rights only in respect to the difference between 60 per cent of the annual earnings of the insured person and the total amount of the annuities of the consort and of the children. No ascendant or collateral kinsman shall enjoy the benefit of an annuity greater than that of a child, when the two annuities run simultaneously. The extinction of the annuity of an ascendant or collateral relative shall inure to the benefit of the others proportionately, within the limits of their respective rights.

ARTICLE 88.

In case of remarriage, the annuity of the widow shall be converted into a lump-sum payment of triple its annual amount. In the application of articles 84 to 87, the annuity shall be considered as continuing for three years, counting from the date of the conversion.

ARTICLE 89.

The National Fund has the right to fix for the survivors, by means of a published notice, a limit of at least six months, during which they shall make themselves known under pain of debarment.

ARTICLE 90.

Benefits shall be granted to insured persons of Swiss nationality and to their survivors and also to insured foreigners resident in Switzerland and to their survivors, if the legislation of the countries of which they are citizens offers to the Swiss and their survivors, in the matter of providing against sickness and accident, reciprocal advantages equivalent to those which the present law secures. The Federal Council shall designate the countries that fulfill this condition.

Insured persons who are citizens of other countries are entitled to medical attendance and drugs, to the cash benefits for loss of time, and to three-fourths of the annuity for invalidity. Their survivors are entitled to the funeral expenses and the consort and the children to three-fourths of the annuities of the survivors. The difference between these benefits and those provided in articles 77, 82, and 84 to 87 is transferred to the assets of the Confederation to be counted with its subsidies to the National Fund.

ARTICLE 91.

The cash benefits of the National Fund shall be subject to a proportional reduction if the illness, invalidity, or death is only in part the result of an accident insured against by the fund.

ARTICLE 92.

No benefit shall be granted for an accident which gives rise to a compensation claim in virtue of the Federal law of June 28, 1901, concerning the insurance of soldiers against diseases and accidents.

ARTICLE 93.

Except when there exists an express agreement to the contrary, the cash benefit for loss of time shall be payable at the end of each week; in case of urgency, advance installments may be supplied during the week.

Annuities for invalidity and those of survivors are payable the first day of every month in advance. If an annuity begins to run subsequently to the first day of the month, the portion due for the remainder of the month shall be demandable on the first day of the following month.

If an annuity is extinguished or modified in the course of a month the reimbursement thereof or the adjustment of the difference for the remainder of the month is not required.

ARTICLE 94.

If the beneficiary of an invalidity annuity is the victim of a new accident included within the scope of insurance and followed only by illness, the first annuity remains unchanged and has no influence on the cash benefit for loss of time payable on account of the new accident. The cash benefit is computed on the basis of the earnings of the insured at the time of the new accident.

In all other cases where the beneficiary of a cash benefit for loss of time or of an invalidity annuity is the victim of a new accident comprehended in the insurance contract, the rights originating in the different accidents are joined, and for the future the insurance benefits are calculated on the basis of the wages which the insured would probably have earned at the time of the new accident had he not suffered from the previous accident. Article 78, paragraph 4, is applicable by analogy.

ARTICLE 95.

The National Fund may at any time redeem, at its actual value, any annuity of invalidity or of survivors below 10 francs (\$1.93) a month, or that of a beneficiary residing abroad after the lapse of at least one year.

In any other case the redemption may take place only by agreement between the establishment and the beneficiary.

Every annuity redeemed with the consent of the beneficiary is unconditionally canceled. On the other hand, the invalid whose annuity has been redeemed without his consent may demand the grant of a supplementary annuity for the future if, after the redemption, his disability is essentially aggravated.

In the application of articles 84 to 87 the redeemed annuity of survivors is computed to continue in force until the moment when, according to the probability taken as a basis of redemption, it would be extinguished in default of redemption.

ARTICLE 96.

The right to insurance benefits, as well as the amounts received as benefits, may be neither attached, garnisheed, nor included in the assets in case of bankruptcy. All pledges and assignments of the right to insurance benefits are null and void.

The National Fund may take measures to secure the employment of its cash benefits for the maintenance of the beneficiary or the persons dependent on him.

The National Fund may strike a balance between the amount of the cash benefits which it owes to an insured person or to a survivor (excepting the funeral expenses) and any claim which it holds against the same person.

ARTICLE 97.

The National Fund may declare to be forfeited any arrears of annuity which have not been claimed by the beneficiary, or in his name, within a period of three months, counting from the time when they became due.

The right to an annuity already established is extinguished and shall be annulled by the National Fund if, after two years, the amounts due have not been claimed by the beneficiary or in his name.

ARTICLE 98.

If the insured person caused the accident intentionally both he himself and his survivors are deprived of all right to the insurance benefits other than the funeral expenses.

The rule holds good in the case of a survivor who intentionally or by serious fault caused the accident.

If the insured person caused the accident by serious fault, the insurance benefits, other than the funeral expenses, shall be reduced to an extent commensurate with the degree of fault.

ARTICLE 99.

Conformably with articles 62 to 67 of the code of duties (Book 5, Swiss Civil Code) the National Fund may require restitution in cash of the value of any benefits which it has erroneously paid.

Whoever by fraudulent scheming procures payment or seeks to procure payment of benefits to which he is not entitled, or who becomes accessory to like schemes, shall be prosecuted before the cantonal criminal courts.

ARTICLE 100.

The National Fund shall succeed by subrogation, for the amount of the benefits granted, to the rights of the insured person or of the survivors against any third party responsible for the accident.

ARTICLE 101.

The National Fund shall receive premiums for insurance against both occupational and nonoccupational accidents.

ARTICLE 102.

For the purpose of determining the premiums for occupational accidents the various kinds of enterprises shall be divided into classes of risks according to their dangers from occupational accidents. The classes shall be subdivided in respect to the degrees of risks, taking into account measures for the prevention of accidents and other circumstances which affect the risks. Each enterprise shall be assigned by the directorate to a special grade of risks. Insured persons of the same enterprise may also be assigned by groups to several grades.

ARTICLE 103.

Of its own motion, or at the request of the employer or his agent, and guided by past experience, the directorate may, not later than one month before the commencement of a fiscal year, assign an enterprise to another class or to another grade of risks, to date from the following fiscal year.

In case of violation of article 65 the directorate may at any time assign the enterprise to a higher grade of risks. It shall determine, if there is occasion, the date from which the new assignment is to have a retroactive effect.

The employer or his agent shall advise the National Fund, within one week, of every change in the enterprise which increases the risks of accidents. The directorate shall revise the classification and, if there is occasion, determine the date from which the new classification shall have a retroactive effect.

Delay or omission of the notification shall absolve no one from paying premiums for occupational accidents according to the new classification and for the time after it becomes effective. In case of culpable negligence the premiums are doubled for the period of delay.

ARTICLE 104.

Decisions made by the directorate pursuant to articles 102 and 103 shall be communicated in writing to the employer or his agent.

Within a period of 20 days, dating from this communication, the employer or his agent may appeal to the council of administration; the appeal is devoid of any effect in suspending the payment of premiums.

ARTICLE 105.

The decisions concerning classification, when once definitely made, bind the courts.

ARTICLE 106.

For the purpose of determining the premiums for nonoccupational accidents insured persons are divided by the directorate into classes of risks according to their dangers from nonoccupational accidents.

Articles 103 (first paragraph), 104, and 105 are applicable by analogy to this classification of the insured. Communications shall be addressed to the employer or his agent for the purpose of transmission to the insured persons. The insured person has the right to demand a new classification and to make an appeal.

ARTICLE 107.

The table of rates for each class or grade of risks shall indicate the proportion of the earnings payable as premiums (premium rate).

The rates of premiums shall be determined in such a manner that each class or grade of risks may furnish in premiums an amount presumably equal to the expenses which that class or that grade will cause to the National Fund.

On the basis of past experience the rates of premiums may be changed two months before the end of a fiscal period. The new rates take effect at the beginning of the following fiscal year.

ARTICLE 108.

The premiums for occupational accidents shall be paid by the employer. Any contract imposing on the insured person a portion of these premiums is null and void.

Premiums for nonoccupational accidents shall be paid three-fourths by the insured person and one-fourth by the Confederation.

ARTICLE 109.

The premiums for occupational accidents and the premiums for nonoccupational accidents (the latter after deduction of the Federal subsidy) shall be paid to the National Fund by the employer, subject to the provisions of article 113.

ARTICLE 110.

The amount of the premiums, provisionally estimated by the National Fund in advance for an entire year's insurance, shall be brought to the employer's attention in writing.

The provisional premiums are payable within a month, and at the latest, by the commencement of the insurance year. On condition of a suitable increase in the amount, the employer may make his payments by installments semi-annually or quarterly. In exceptional cases, the National Fund may authorize monthly payments. Appeals to the courts shall have no effect to suspend the payment of the premiums.

If the employer is in arrears, the premiums for occupational accidents shall be increased by one-fourth during the period of delinquency.

ARTICLE 111.

If within the year it shall appear probable that the actual amount of the premiums will be considerably greater than that which has been provisionally fixed, the National Fund may require an intermediate payment.

Paragraphs 2 and 3 of article 110 are applicable by analogy.

ARTICLE 112.

After the close of the year, the amount of the premiums shall be finally computed by the National Fund according to the actual total of the year's salaries. This total shall be derived from the pay rolls. If the rolls do not afford reliable evidence, the National Fund shall have recourse to other means of information,

and the employer forfeits the right to contest the amount fixed. The insufficiency or excess of the amount paid shall be adjusted by a supplementary levy, or a compensatory allowance at the time of the next provisional payment.

The regular supplementary grants are to be included in the calculations. The daily wage shall be considered only to the amount of 14 francs (\$2.70).

ARTICLE 113.

The premiums paid by the employer for nonoccupational accidents, but excluding the increase provided for by article 110, paragraph 2, shall be withheld from the salaries by the employer; this deduction, however, for a premium due for a wage period may be made only from the amount of wages falling due for that period, or for that which immediately follows. Every agreement derogating from these provisions to the detriment of insured persons is void.

ARTICLE 114.

The Federal subsidy for nonoccupational accidents shall be provisionally estimated by the National Fund for an entire year, and collected in advance.

After the close of the year, the Federal subsidy shall be finally computed by the National Fund according to the actual total of the premiums for nonoccupational accidents. Any insufficiency or excess of the amount collected shall be adjusted by supplementary collections or compensatory repayments.

D. VOLUNTARY INSURANCE.

ARTICLE 115.

On application, the National Fund shall insure against the risks of accidents every person not compulsorily insured who is at least 14 years of age, so long as such person resides in Switzerland.

ARTICLE 116.

The Federal Assembly shall fix the conditions of voluntary insurance. It shall take into consideration the special circumstances of agriculture and other pursuits concerned in this insurance, especially in respect to whatever relates to the notifications and declarations of accidents, the prevention of accidents, the insurance benefits, and the computation of premiums.

The National Fund shall submit the necessary plans to the Federal Council.

ARTICLE 117.

The Confederation shall contribute, by means of an annual subsidy, one-eighth of the total premium for the insurance of every person whose annual income does not exceed 3,000 francs (\$579).

The subsidy of the Confederation for premiums of voluntary insurance shall be provisionally estimated by the National Fund for an entire year and collected in advance.

After the close of the year, the Federal subsidy shall be finally computed by the National Fund according to the actual total of the premiums. The insufficiency or excess of the sum received shall be adjusted by supplementary collections or compensatory reimbursements.

E. VOLUNTARY INSURANCE OF THIRD PERSONS.

ARTICLE 118.

The heads of the enterprises named in article 60, as well as the heads of other enterprises who are themselves insured with all their employees and laborers conformably to article 115, may insure third persons in the National Fund on their own account against the results of accidents for which they are civilly responsible in case of slight fault on their part.

The injured person has a right of action against the National Fund independent of that of the person procuring the insurance.

ARTICLE 119.

The Federal Assembly shall establish the conditions of the voluntary insurance of third persons.

The National Fund shall submit the necessary plans to the Federal Council.

A Federal subsidy may be granted for this insurance only by legislative action.

F. COURTS.

ARTICLE 120.

Each Canton shall designate a single tribunal to decide in the first instance:

(a) Controversies between an insured person or a third person and the National Fund, or a sickness fund, concerning the insurance provisions specified in title two of the present law.

(b) Controversies concerning the claims which the National Fund or a sickness fund brings in virtue of title two of the present law, with the exception of actions founded on article 100, which shall be referred to the ordinary courts.

(c) Controversies between the National Fund and a sickness fund concerning claims which one of the parties brings pursuant to the present law.

The actions specified in the present article and permitted against the National Fund may be brought, at the option of the applicant, at the place of his residence in Switzerland or at the seat of the National Fund.

ARTICLE 121.

In respect to these controversies the Cantons shall provide that the procedure be as simple and expeditious as possible; they shall accord to the indigent litigant, at his request, the benefit of legal assistance, as well as exemption from all bonds, pledges, costs of expert testimony, court fees, and stamp duties.

The provisions decreed by the Cantons for the execution of the present article are subject to the approval of the Federal Council.

ARTICLE 122.

The Confederation shall create a Federal insurance court to which may be referred the decisions of the cantonal courts of primary jurisdiction.

The Federal Assembly shall determine the organization and procedure of the insurance court; it shall appoint the judges for a term of six years.

The insurance court shall have its seat at Luzerne; it may also hold sessions elsewhere.

TITLE III.—GENERAL AND TEMPORARY PROVISIONS.

ARTICLE 123.

The sums which have been paid or which shall be paid to the Federal insurance fund shall be exclusively appropriated to insurance against sickness and accidents, especially as a guaranty of the cash benefits which the present law imposes on the Confederation.

ARTICLE 124.

The decisions rendered by the Federal Council pursuant to the present law are not subject to appeal.

ARTICLE 125.

The time limits fixed by the present law are to be understood as full days.

If the last day falls on a Sunday or a legal holiday, the time limit expires on the first following working day.

The notifications must have reached their destination or have been sent to the Swiss post at the latest on the last day of the limit period.

ARTICLE 126.

Anyone affiliated with any Swiss sickness insurance fund whatsoever at the expiration of one year from the time when the present law becomes effective may avail himself of the privileges specified in articles 7 to 10 as if he were a member of a recognized fund.

ARTICLE 127.

Enterprises in existence when the present law becomes effective shall be deemed open for business from that time.

ARTICLE 128.

All provisions of Federal or cantonal laws or ordinances inconsistent with the present law are repealed, especially:

Articles 4 and 5, letter (d) of the Federal law of March 23, 1877, on labor in factories.

The Federal law of June 25, 1881, concerning the civil liability of manufacturers, and the Federal law of April 26, 1887, concerning the extension of civil liability.

Article 40 of the Federal law of June 24, 1902, concerning electrical installations with weak and strong currents.

The Federal law of March 28, 1905, concerning the civil liability of railway enterprises and of steamboat and mail service; likewise article 95 of the Federal law of April 5, 1910, concerning the Swiss postal service, so far as it relates to accidents occurring to employees or laborers in these enterprises.

ARTICLE 129.

So far as the provisions of the Federal laws referred to in article 128 cease to be applicable, they are replaced by those of the code of duties (Swiss Civil Code, Book 5).

Nevertheless, when the insured person is the victim of an accident caused by one of his kinsfolk, the author of the accident is civilly liable only if he caused the accident intentionally or by a grave fault. The same is true of the employer, as well as of every relative, employee, or laborer of the employer, if the employer has paid the premiums for which he is responsible in compulsory insurance, or, when the victim is voluntarily insured, if the employer has assumed as his obligation, and actually paid, at least one-half of the premiums.

ARTICLE 130.

If the employee is a member of a recognized sickness insurance fund, and if the employer bears at least one-half of the expenses, the cash benefit for loss of time, due by the sickness fund may, in case of sickness, be deducted from the salary due according to the tenor of article 335 of the code of duties (Swiss Civil Code, Book Five).

In case of accident, the employee has no claim to the salary if he is compulsorily insured in the National Fund, and if the employer has paid the premiums for which he is responsible.

The same rule applies in voluntary insurance, if the insurance benefits are equal to those of obligatory insurance, and if the employer has assumed as his obligation, and has actually paid at least one-half of the premiums. An ordinance of the Federal Assembly shall determine the right to the salary in a case where the insurance provisions differ from those specified in articles 72 et seq.

ARTICLE 131.

The Federal Council is charged with the execution of the present law; and, with this end in view, it shall formulate the necessary regulations.

Enacted by the National Council, June 13, 1911.

Accepted by referendum, February 4, 1912.

